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WESTERN ECONOMIC ENTERPRISE IN SOUTHEAST ASIA

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WESTERN ECONOMIC ENTERPRISE IN SOUTHEAST ASIA

A CHRISTIAN VIEW

by John Healey

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With the achievement of political independence by the countries of Southeast Asia, Western economic enterprise in this area is either coming to an end or changing its character considerably. An indication of this is the transfer of economic control and ownership of assets from Western to Asian hands in recent years through stock exchange transactions, as in India and Malaya, and through appropriation, as in Burma and Indonesia.

Thus the period of "economic imperialism" is now coming under judgment in both West and East; and it is inevitable that, made so close to the event and with emotions aroused on both sides, the respective judgments may be somewhat biased. Yet from a Christian point of view it is particularly important that both sides should reach the maximum understanding possible, as the interpretation of this period of history will have considerable influence on future relations between Southeast Asia and Europe. Because of this and because there are young Christian churches in these areas, a Christian interpretation seems in order.

In most of the Southeast Asian countries there has been colonial rule at one time or another, which has provided a congenial environment for Western businessmen to work in. Not all Western enterprise has been the result of private initiative, however, since some colonial governments entered the economic field themselves, either independently or in combination with private enterprise. Such has been the case, for example, on a considerable scale in Indonesia and Ceylon, and to a lesser extent in India and Malaya.

Economic Motives and Results of "Imperialism."

Whether it was private or governmental, Asians and Westerners judge the era of Western economic enterprise in Asia from quite different points of view. It is a fair generalisation to say that Asians have formed their judgments on the basis of the motives of the men involved. Because these motives were largely mercenary, the Asians have been very critical. It should be noted that their attitude has also been influenced by frequent instances of arrogance and lack of tact on the part of individual Western businessmen.

Europeans, on the other hand, are inclined to evaluate the same period in terms of the material results it produced. They see it as an era which brought improved communications, public utilities and banking, built plantations and founded research institutions and, in general, by means of Western capital, technology and skills, helped raise the standard of living, if only for a few. They feel the people of Southeast Asia should recognize these contributions.

Both groups are justified in judging as they do, although they are proceeding from divergent points of view. However, a Christian judgment must include both aspects. Since the Christian faith emphasizes the motive behind an action, it is obviously concerned with men's motives. At the same time it seeks to recognize how God, working through history, brings good even out of a situation where men do not consciously seek to do His will.

Upon closer analysis, it would indeed seem that the motives of European businessmen in Southeast Asia were mainly mercenary. They were men who sought financial gains from trade, agriculture, mining and manufacturing. While they did take risks, did calculate and labour hard, they were moved by the hope of profit rather than altruism.

But while for the most part they were not concerned consciously to benefit the native people, inevitably they did so in many ways. Even though they did not aim at helping the establishment of indigenous business communities, local industries and business communities often grew up alongside them - such as those of the Parsees and Marwarees in India and the Chinese in Malaya; occasionally Western business people gave direct financial and technical help to these groups just from a desire to improve their own markets and supplies of raw material. As Griffiths points out in The British in India, "Imperialism is not philanthropy" and it cannot be expected that men should found new enterprises from purely spiritual motives.

However, it is precisely the profit motive that the Asian peoples suspect, not only in the case of the Western agents but also in the indigenous business groups who grew up in close association with them, whom they view no less critically and intolerantly. If modern Asian opinion favours "social welfare" and the higher standard of living which Western enterprise made possible, at the same time it suspects the motive which brought it into being.

The Reasons for Their Suspicion

The reasons why the Asians suspect the profit motive are not difficult to find. In the first place, their religious tradition considers profit-making to be synonymous with the immoral exploitation of man by man. This is the traditional point of view in a subsistence economy and is similar to the medieval Christian attitude in Europe. In this view, any exchange involving money must be an exchange of things of equal value. Therefore, if someone makes a financial gain, it shows that some injustice has been committed.

In the second place, there are historical reasons for the suspicion of the profit motive in Asia. Asian opinion cannot easily accept the dictum of Adam Smith that the butcher by pursuing his own interest will thereby serve the interest of his fellowmen too. The economic history of Southeast Asia has been rather different from that of Adam Smith's England.

It is, of course, true that self-interest is common to all men. As Griffiths wrote, "The inhabitants of Clive Road and Harrison Road (the residential areas respectively of British and Indian businessmen in Calcutta) have this much in common - they all want to buy cheap and sell dear."

It was only after the fifteenth century in Europe in fact, that the social direction of the profit motive changed, resulting in greater material benefits to Europe as a whole. The benefits which the profit motive has brought to society have in general depended on the social direction it has taken as well as the ethical restraints on its abuse.

It has been beneficial to society, that is to say, when it has resulted in the process of creating capital by building social assets like irrigation systems, tools, ships, factories and machines. It has not benefited society when directed toward mere speculation or transfer of property from hand to hand, or toward building unproductive structures like temples, tombs and palaces. On the other hand, it has not been greatly unjust or oppressive where the ethical tradition has been strong.

Some scholars, like Max Weber, have stressed the influence of the Reformation in channeling the profit motive into a new social direction. Other scholars, like Canon Demant, emphasize that, in England at least, the Christian ethical tradition has always been the main restraint on its abuse.

Both may be right in regard to Europe, but the fact remains that no similar re-direction of the profit motive has taken place in Southeast Asia on a scale sufficient to bring perceptible benefits to the people at large; nor has it been exercised with conspicuous restraint. And Asian people know this. In addition to believing that they have gained very limited benefits from the self-interested operations of Western businessmen, they feel that their own natives have also abused the profit motive. Their experience of injustices from the landlord-trader-money lender class, especially in the rural areas, has made them suspicious of it wherever they find it.

The general failure of the cooperative movement in India and Indonesia and the widespread exploitation of the peasant by landlords, money-lenders and traders bears out the judgment of the Rural Credit Survey made in India in 1954 that the sociological soil there lends itself more to corruption and oppression than to cooperation and development.

Similarly, the Tariff Commission Report on the Indian sugar industry, made in 1953, shows that in recent years the unrestricted exercise of the profit motive led to widespread injustice by creating an artificial scarcity of sugar. It is not surprising that such chastening experiences should make the people of this area suspicious of the profit motive and ready, like the Marxists, to identify it with exploitation.

The Christian Approach

A Christian approach must stress that the profit motive is not always synonymous with exploitation and that each case must be judged on its individual merits. In many cases the term "profit motive" is used to cover a wide range of motives, some of which may be altruistic. Others, like love of adventure or the desire to pioneer new projects, may not be completely disinterested, but neither are they self-seeking nor unjust in intention.

If we examine the case of the pioneering of railways in India, for example, which was a joint enterprise of government and individuals, we find that the motives in many instances were altruistic. Dalhousie is recorded as having said that the building of railways in India "will lead to the same progress in social improvement that has marked the introduction of improved communications in various kingdoms of the Western world".*

Although mainly interested in the commercial possibilities they would open up, the private promoters of these railways all stress their civilizing and beneficial aspects. Promoters like Stephenson, Andrew and Chapman were primarily men with a pioneering zeal for railroad construction and were only secondarily interested in financial gain. Even allowing for considerable rationalization in the documentary evidence, we must not underestimate the non-materialistic motives revealed in the lives of the railway pioneers in India. And there must be many other similar cases in the history of Western economic enterprise in Southeast Asia.

In other words, we must not give the impression that such men were unique. Allowing for the fact that Western enterprise was predominantly motivated by financial gain, there is no reason to believe this always went hand in hand with exploitation, except perhaps in the early days of the East India Company and in cases like the forced contract labour used in the 19th century on the Indonesian plantations. Such cases, less frequent than commonly supposed, receive more publicity than the numerous instances of honest humane business.

For the Christian, self-interest is not a sin unless it is excessive in degree and works to the disadvantage of others as well as the spiritual detriment of the agent. The latter is probably impossible to detect in the pages of history, but a Christian study of the period would demand an analysis of the men who lived in it and the extent to which their actions suggest whether they were moved primarily by a desire for self-help or by self-seeking and unjust aims. No Christian can afford to be associated with a view that labels as "exploitative" every form of commercial and industrial enterprise, whether Western or native.

The Results of Western Enterprise

A Christian judgment would also take into account the beneficial results which have often followed from enterprises motivated solely by economic gain. It should be recognized that if God works in history it will not be surprising to see that considerable social improvement can result from actions which are not altruistic in purpose.

Alfred Marshall, perhaps the greatest English Christian economist, once wrote: "Progress depends on the extent to which the strongest and not merely the highest forces of human nature can be utilized for the increase of social good." Does not this dictum sum up certain aspects of the era of Western economic imperialism in Southeast Asia?

* Macpherson, W.J., Economic History Review, 1949. The article presents an admirable summary of the motives of the railway pioneers, insofar as they can be inferred from documentary evidence.

No Christian can deny the benefits brought to poverty-stricken peoples by improved material facilities - greater freedom from the whims and caprices of nature, the possibility of a more varied life, ease of communication of ideas, the improved transport of food and especially in times of famine, in a word, the improvement of man's control over nature.

Where the West Failed

A Christian interpretation, however, would not be complete without a consideration of what Max Warren calls "The Demonology of Imperialism." If we can see the good results, we can also see the bad. Together they constitute the "balance sheet" of Western enterprise in Southeast Asia, a balance sheet that will have a larger debit column for Asian people than Western people are usually prepared to admit.

Perhaps the biggest debit entry is what the West did not do in Southeast Asia. To an observer an impressive feature of Western enterprise in this area is the small proportion of investment in social welfare facilities like hospitals, housing and irrigation. Add to this a long list of offenses like charging excessive prices for particular products, taking excessive profits out of the areas and exposing weak economies to the fluctuations of the world market without adequate protection or mitigation of the hardships involved. In some cases, also, the new commercial-mindedness proved socially disruptive. All in all, the Western impact had immeasurable moral effects.

Yet even among Christians themselves since they come from both East and West and have different criteria and viewpoints, there will admittedly be no agreement as to the favourableness or unfavourableness of the "balance".

Where they will agree, however, is that it cannot be drawn up strictly according to the type of pleasure-pain calculus an economist of the John Stuart Mill school might essay. Apart from the practical difficulties of such an "accountancy" approach, it is hardly possible for a Christian, whether European or Asian, to subscribe to this kind of hedonistic interpretation, since the Christian faith has never judged life merely in terms of pleasure and pain.

Consequently, a Christian interpretation must point out that certain of the evil effects of Western enterprise were as unintentional as some of the good. In these cases, moral judgment cannot be so harsh on the agents as in cases of deliberate injustice. It should also be pointed out that despite their common faith, even Christians of the East and West cannot be expected to agree unanimously in their evaluation of the issues. God does not expect us all to agree, even as Christians.

A Possible Basis for Reconciliation

What a Christian view can contribute is a possible basis for reconciliating divergent view on a question that has aroused considerable emotion on both sides. While this must depend ultimately on the common faith of different Christian peoples, it must include an honest and humble

approach to interpreting the history of this era. This approach should look forward rather than backward, so that the minds of the East and West do not dwell on the evils and injustices of the past in thought and action, but on the good which has come out of the era and the hope for the future.

For the Westerner there must be no expectation of gratitude for the benefits which Western civilization has brought to Southeast Asia, because in most cases these were not intentional. There must also be true humility in his recognition of the evils committed intentionally and unintentionally by Western people.

From the Asian there must come true forgiveness, forgiveness which recognizes that some good has come out of Western enterprise and forgiveness with no taint of self-righteousness, for the evils both of commission and omission.

An example may be seen, perhaps, in the attitude of Joseph toward his brethren who were expecting requital for the evil they had done him. But Joseph's reply was not revengeful. He said to them, "Am I in the place of God?...as for you, ye thought evil against me, but God meant it unto good, to bring it to pass as it is this day, to save many people alive". (Gen. 50: 19, 20.)

If not completely apt, the quotation illustrates something of the spirit of forgiveness which has already been demonstrated in the attitude of many Asians toward Western economic enterprise.

Such a spirit is difficult for both sides to attain, and perhaps more difficult for those on the Asian side. But a true reconciliation must involve sacrifice and even inequality of sacrifice. It is the Christians of East and West who are most eminently suited to bring about a reconciliation on the nagging problem of economic imperialism.

Future Prospects

When on the basis of their respective experience Western and Asian observers survey the future prospects of economic and social progress in Southeast Asia, a considerable difference of opinion arises which is almost paradoxical in character.

Despite their suspicion of the mercenary motives of Western enterprise, Asian leaders are strong believers in the material civilization which the West has brought to Asia. They are almost unanimous in their belief in industrialization, agricultural reorganization, social reforms and the adoption of Western technology as the way to raise the level of well-being in Southeast Asia.

"Social welfare", or the "socialist pattern of society", as it is termed in India, has become the ideal of most of these countries, and it is an essentially Western ideal. But if the Asians are sure they wish to achieve these indubitably laudable objectives, they do not want them achieved through the profit motive if they can help it. In other words, although they thoroughly approve of the goals of the "five year plans" and "six year plans" undertaken by certain countries, they do not believe such plans can be achieved through the free play of self-interest.

The fact that the "private sectors" of these plans are so unpopular, and the effort to obtain Western capital through public rather than private institutions, shows how strongly they feel on the subject.

The apologists for Western enterprise, on the other hand, believe that these objectives cannot be attained except through the power of the profit motive exercised as freely as in the heyday of Western enterprise.*

They unconsciously remember the English experience of the 18th and 19th centuries and sincerely believe that no great degree of material civilization can be achieved without the power of the economic motive.

G. C. Allen, perhaps the greatest English authority on Western enterprise in Asia, writes, "At the present time in Southeast Asia, as in many other underdeveloped countries, there is a tendency to aim directly at social welfare and to treat economic progress as a means, and not always as an indispensable means, to that end. It is not for the West to question this scale of values, but there is all experience** to testify that improvement in social welfare or even national prestige can be realized only in conditions of basic economic prosperity".

The essence of Allen's argument is that social welfare in the past came as a by-product of commercial pursuits. It was seldom the result of conscious social aims. He adds elsewhere, "It would be unfortunate if, in the enthusiastic pursuit of right ends, the Eastern governments were to lose sight of the essential means for their attainment". For him the "essential means" are private enterprise and the profit motive.

In this difference of opinion over means and ends, we have a paradoxical situation. If Western observers are correct in their judgment, Southeast Asia's hope of achieving its social welfare goals is poorly founded.

* There is an interesting parellel in the case of the Western missionary movement in Southeast Asia, which was coincident in time but otherwise unconnected. A great many Asians are grateful for the fruits of missionary labours such as leper colonies, hospitals, schools and colleges. But they are often suspicious of the missionaries' desire to propagate their faith. The missionaries, on the other hand, feel that Asians should not expect to benefit from the fruits of Christianity if they deny the power of the Christian faith and its right to be propagated.

**Allen and Donnithorne, "Western Enterprise in Malaya and Indonesia". This book is full of most interesting information about the impact of the West on parts of Southeast Asia. Allen is one of the outstanding authorities who believe that the private profit motive is seriously underrated as a force working toward social improvement in Asia today.

Is the Western Interpretation Too Narrow?

However, Westerners are perhaps judging a little hastily. There is reason to believe that their interpretation may be regarded as too narrow, both from the Christian and the historical point of view. In the first place, the belief that the profit motive is indispensable in achieving social progress is based on a view of history which is Europe-centered (one might even say England-centered,) not on Asian experience. As we have seen before, the Asian has more reason than his Western counterpart to doubt the effectiveness of the profit motive.

In the second place, even European experience does not invariably testify to the all-conquering power of economic self-interest. In conditions of extreme poverty or economic backwardness, such motivation may be either too weak or too socially disruptive to bring about a state of prosperity and social welfare.

In the case of France under Napoleon III, the profit motive by itself was not enough to start the rapid economic development that took place. It was St. Simon's new socialist ideology that inspired it. And in the case of Germany and Japan, private interests were backed up by the force of national power and ambition in creating more productive economies. In Russia, of course, we see Marxist Communism providing the impetus.

In the light of world experience it is difficult to believe that in economic self-interest God has given man the strongest stimulus to increasing his wealth and well-being. Finally, from a Christian point of view, it should be recognized that God is making new history in Southeast Asia; and there is no reason why it should necessarily repeat the course of events in Europe or England. If we refuse to recognize in the new Asian leaders the possibility of effective new stimuli to social action, we are limiting God and his power to transform the resources of human nature.

The New Economic Philosophy and Its Obstacles

Since it is difficult for the Asian to see Divine Providence at work in self-interest as exercised in Asia in the past centuries, it is not strange that Asia's leaders are anxious to take things into their own hands. They have faith in their ability to change the course of history with startling abruptness. In their new philosophy economic progress is seen almost solely as the result of greater state control and official planning.

To some observers this new approach gives rise to serious doubts and apprehensions. To others it is full of hope. But even to those who have the most faith in it, the new attitude raises a number of issues of profoundly religious significance. Can progress in Asia be so deliberately sought and achieved by a group of visionary leaders? Can the course of history in Asia be changed so abruptly by the passage of new legislation and the establishment of new institutions? Can human minds predict all the forces that will be unleashed when a society's structure is uprooted or are they "flying in the face of Providence?"

From the strictly economic point of view, two other questions may be posed:

1. Does the success of official planning and action in the social and economic spheres in Southeast Asia depend on men being motivated by far more altruistic and noble aims than those of the Western businessmen who worked in Southeast Asia; and thus take a much more exalted view of human nature than has been the case in European civilization?

2. If this is so, what will inspire this kind of motivation?

These are difficult questions to answer. Let the writers of the remarkable report of the Indian Rural Credit Survey speak again: "The fact has to be faced that the sociological soil of India today is more favourable to corruption and oppression than to cooperation and planning. Corruption has its roots not only in men's characters but also, and from the point of view of social remedy more relevantly and more deeply, in men's institutions. In India at present the largest single factor responsible for corruption may be said to be the lack of egalitarianism where this lack is most basically present, viz. in the Indian village... The greater the degree and extent of inequality between strong and weak, rich and poor, the greater the reason and the larger the occasion to seek favours... These conditions make it all the more important to demand the highest standards of honesty not only in those concerned with the implementation of programmes of development, but also from those in public life, administrative and political generally."*

The social situation in the rural areas of most Southeast Asian countries presents enormous temptations and frustrations to officials in their efforts to bring hope into a hopeless situation and prosperity out of poverty. Apart from the geographical dispersion of the "plannees" and their illiteracy, there are the frustrations which arise from their tradition-bound habits and their unpredictable response to social and economic incentives.

Added to the deep inequalities of rural life, these frustrations create a sore temptation, to the subordinate official especially, to give up in despair and evade responsibility. Or he may be tempted to misuse his authority by aligning himself with the stronger interests against the weaker, or the urban interests against the rural. In such a situation ambitious plans and laws are often not translated into administrative reality.

In this respect alone, there would seem to be a need for a change in human character which would lead men to work heedless of the cost and with a sense of mission to their fellowmen. Planning for social and economic change in Southeast Asia demands men of greater stature than similar planning in modern Europe. Men motivated by self-interest alone and working only to gain personal power and authority cannot achieve the tremendous objectives that have been set forth. "Whoever would be great among you, let him be your servant."

* Taken from Chapter 46, "Aspects of the Larger Problem: Planning and Administration." The whole report gives a clear idea of the tremendous difficulties which face planning and administration at the rural level.

What Will Effect This Change

From what sources will this new power come? Nationalism? The experience of India testifies to a great upsurge of enthusiasm and creative energy in planning the development of a newly-independent country, tinged though it may have been in some places by corruption and selfishness.

In Indonesia, on the other hand, the effects of nationalism have been much less salutary. So far, a xenophobic type of nationalism has brought little economic advance there. While there has been considerable nationalization of economic institutions, there also has developed since 195 a "spoils system", and business and trade discrimination has been exercised by large landlords, urban traders and political leaders and officials, who all work in league with each other.

This has not only perpetuated inequalities and increased rural frustration. It has also resulted in the parasitic enjoyment of economic power by certain Indonesian trade and landed groups in whose hands the power is now concentrated, to the impediment of real economic progress.* It is clear that nationalism can be a disruptive force as well as a constructive one - a power for evil as well as good.

It is difficult if not impossible to assess how far the forces of traditional or reformed religion have been harnessed to assist economic development. Superficially, it would appear that revived Hinduism and Buddhism have manifested their power politically rather than economically. But it is impossible to judge the extent to which hidden currents in the ancient religions may have furnished the motive power for national economic and social reconstruction.

There has been an interesting Islamic revival in Indonesia (Sarekat Islam) which has developed an economic ethic stressing the virtues of individual initiative, thrift and arduous labour to gain personal wealth. Under its banner a group of national Muslim businessmen have proved themselves capable of considerable economic expansion, without any taint, apparently, of the corruption so prevalent in Indonesia. Whether the men who administer the country have been affected by any such religious revival is more doubtful.

It would appear that no changes in the economic systems of Southeast Asian countries can be effective if they go radically beyond the powers of human nature. Yet, according to the Christian faith, changes in human character are possible by the grace of God.

* See Van der Kroef, Social Research, 1956, for an article on the present economic situation in Indonesia and problems arising particularly in the rural areas.

Is the Christian faith, then, the real answer to the new power and motive force the countries of Southeast Asia are seeking? The Christian believes, that whatever the social system, it will operate more effectively for the common good if men are consciously trying to keep in line with God's will as revealed to them through Jesus Christ; and seeking power to act from this Source.

Christians certainly hope that somehow Southeast Asian people and leaders will be able to achieve their social ends. But they cannot help believing that these goals can be more perfectly achieved through the power of the Christian faith. Although the churches of Southeast Asia are small and often weak, they must cling to the conviction that only when Asia is fully Christian can social aims have true meaning and Asia be completely in line with God's plan.

Christianity is not just a practical expedient for achieving certain secular goals. It is the full answer to the needs and aspirations of the peoples of Southeast Asia today.